The Department of Revenue

The Executive Office for Administration and Finance
Commonwealth of Massachusetts

Performance Report
Fiscal Year 2013

Amy A. Pitter | **Commissioner**

I am pleased to present the 2013 Performance Report for the Department of Revenue (DOR). This report reviews the progress made by DOR in its efforts to more effectively and efficiently fulfill its mission. The dashboard below demonstrates the performance of many of DOR's current activities; however, as DOR continues to embrace the precepts of performance management, the overall reporting process will continue to be refined and improved.

To that end, DOR has created the Office of Operations Research to help establish an organizational culture that does not view performance management as an ad hoc endeavor based on the identification and resolution of problems, but rather as a regular part of daily activities by which DOR staff strives to continually improve the work we do. This emphasis on performance management has led DOR to launch new operational designs and measurement standards, as well as a review of existing metrics to help provide leadership with the information needed to make effective decisions.

In addition to the dashboard below, the following highlights some of DOR's other achievements:
- DOR 360 was implemented to support communication, collaboration and co-design with a broad range of stakeholders. Part of this effort includes the creation of the DOR Advisory Council (DORAC), a diverse coalition of citizens to advise DOR on matters related to tax administration. DORAC has already provided a great deal of valuable input from the taxpayer and practitioner community.
- DOR partnered with Bunker Hill Community College to create a degree and certificate program to prepare students for careers in state taxation. The program was created in an effort to help prepare DOR's future workforce as many of our staff nears retirement. Upon the successful completion of the program, students are eligible for an internship at DOR.
- Several new stakeholder surveys and focus groups were implemented to help us understand how to better serve the community and assess DOR performance.
- A new mediation program was implemented in an effort to decrease the time necessary to process appeals and other matters headed for litigation. Early results indicate that the program has produced mutual settlements in several high-value cases in far less time than would ordinarily be required.

I am proud of the work we do at DOR and trust that you will find this performance report to be informative and useful.

Thank you,
Amy A. Pitter
Commissioner Department of Revenue

As an agency within the Executive Office of Administration and Finance, the Department of Revenue's goals reflect and bolster the commitments of A&F to bring about Better Finance, Better Health Care, Better Performance and Better Government.

This report was developed pursuant to Executive Order 540, Governor Patrick's directive to embed strategic planning and performance management across state government. The Department of Revenue's FY13 Performance Report describes progress achieved against the goals set out in its 2013-2015 Strategic Plan.

Please send feedback regarding this report to:
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PERFORMANCE DASHBOARD

STATUS LEGEND							
On Target (>= Target)	🟢	Close-to-Target (>= 80-99%)	🔻	Off Target (<80% of Target)	🟥	Not Applicable (N/A)	-
Note: Descriptions for performance measures can be found on page 8							

AGENCY WIDE GOAL	MEASURE	CURRENT PERIOD	PRIOR PERIOD	TREND	TARGET	STATUS	COMMENTS
Modernize IT by keeping MASSTAX 2 and COMETS HD on the path to successful completion	PMO's assessment of program KPIs	Program was suspended in August 2013; new vender agreement was signed January 2014 & reporting will resume once implementation is launched				-	
	PMO's assessment of program KPIs	2.3 Yellow (as of 1/8/14)	2.45 Red (as of 9/25/13)	Stable	Green (Range of 1.00 – 1.67)	🔻	Based on 7 KPIs created and tracked by the Program Management Office. Each is weighted and scored to produce an overall program rating: 1 – on track (green); 2 – Issues related to scope, costs off schedule have arisen (yellow); and, 3 – significantly off track (red).
Create a culture and processes that support communication, collaboration and co-design with a broad range of stakeholders	% of taxpayers who view DOR as meeting its mission of enforcement of the tax laws as well as its vision of conducting business in ways that are innovative, customer-focused and transparent	85%	N/A	N/A	N/A	-	Quarterly survey data collected only for 2QFY14. New survey, no prior data available.
Increase diversity at all levels and build an appropriately skilled workforce	% of workforce members who represent minority and other historically under-represented demographic groups	Minorities: 19.31%	Minorities: 19.36%	Stable	10.4%	🟢	FY13 vs. FY12
		Women: 54.68%	Women: 54.91%	Stable	48.2%	🟢	FY13 vs. FY12

	% of workforce members who represent minority and other historically under-represented demographic groups	Vietnam Era Veterans: 0.83%	Vietnam Era Veterans: 1.26%	Stable	3.5%	▼	FY13 vs. FY12
Increase diversity at all levels and build an appropriately skilled workforce		Persons with Disabilities: 6.66%	Persons with Disabilities: 6.36%	Worsening	12%	🟥	FY13 vs. FY12
Take a proactive approach to improve performance, effectiveness and efficiency across the agency	% of workforce whose performance is being actively managed for improvement	0.68%	0.48%	Improving	Increase	🟢	FY13 vs. FY12; DOR expects this number to increase in the short term; over the long term the number should drop as employees receive appropriate training
Provide easy access to quality customer service	% of customer inquiries that are resolved through self-service or first contact	N/A	N/A	N/A	N/A	-	MASSTAX2 upgrades were to include call center performance measures. Data will be reported once new systems are in place.
	% of taxpayers reporting a favorable customer service experience	86%	N/A	N/A	N/A	-	Data as of 12/31/13 for 2QFY14; New survey, no prior data available.

TAX OPERATIONS GOAL	MEASURE	CURRENT PERIOD	PRIOR PERIOD	TREND	TARGET	STATUS	COMMENTS
Improve efficiency and effectiveness of enforcement operations	$ per audit hour	$1,260	$1,380	Worsening	$1,350	▼	FY13 vs. FY12
	Refund fraud prevented	$23.9m	$19.9m	Improving	$20m	🟢	CY13 vs .CY12; CY14 Target is $25m.
	$ per collector hour	$2,149	$1,862	Improving	N/A	-	2QFY14 vs. 1QFY14. No target for FY13, target of $1,900 for FY14.
Provide clear, timely and relevant guidance to taxpayers	% of taxpayers who believe they have had adequate guidance from the department	73%	N/A	N/A	N/A	-	Results are for 2QFY14; Survey launched in July 2013.
	Accuracy of CSR responses	95%	N/A	N/A	N/A	-	Quarterly survey data collected only for 2QFY14. New survey, no prior data available.

Resolve disputes through processes that are effective, fair, and easy to navigate	% of taxpayers who have accessed dispute resolution processes who have found them to be effective, fair, and easy to navigate	67%	N/A	N/A	N/A	-	Quarterly survey data collected only for 2QFY14. New survey, no prior data available.
CHILD SUPPORT ENFORCEMENT GOAL	**MEASURE**	**CURRENT PERIOD**	**PRIOR PERIOD**	**TREND**	**TARGET**	**STATUS**	**COMMENTS**
Maximize federal reimbursements and performance by achieving or maintain compliance with the "Fed 5" performance measures	Title IV-D Paternity Establishment Percentage	95.3%	90.8%	Improving	90%	🟢	FY13 vs. FY12
	Title IV-D Child Support Order Establishment Percentage	84.7%	83.5%	Improving	84%	🟢	FY13 vs. FY12
	Title IV-D Current Child Support Collections Performance Level	69.2%	69.0%	Stable	70%	🔻	FY13 vs. FY12
	Title IV-D Arrearage Child Support Collections Performance Level	59.8%	59.0%	Stable	60%	🔻	FY13 vs. FY12
	Title IV-D Child Support Collection Cost Effectiveness	$5.64	$5.88	Stable	$5.50	🟢	FY13 vs. FY12
LOCAL SERVICES GOAL	**MEASURE**	**CURRENT PERIOD**	**PRIOR PERIOD**	**TREND**	**TARGET**	**STATUS**	**COMMENTS**
Provide technical assistance, training and oversight to assist Massachusetts cities and town in the achievement of sound and efficient fiscal management	# of participants in DLS instructional sessions	5500	N/A	N/A	N/A	-	Reporting for FY13; Target of 5500 for FY14
	# of towns using sustainable cloud-based technology solutions for smaller communities	1 (QR-Dec'13)	1 (QR-Sep'13)	Stable	11 (FY14)	-	1 community in BETA testing expected for the 1st half and the remaining 10 in the 2nd half of FY14
	# of subscribers to City and Town	8400	6500	Improving	N/A	-	FY13 vs. FY12, FY14 Target of 8800

LOCAL SERVICES GOAL (Cont'd)	MEASURE	CURRENT PERIOD	PRIOR PERIOD	TREND	TARGET	STATUS	COMMENTS
	# of communities that have their tax rates and property values set by calendar year end 2013	338	335	Improving	100% communities that submitted tax rates	🟢	CY13 vs. CY12; As of 12/31/13, 13 of the 351 communities did not finish work required to either set a tax rate or certify their property values. DOR set tax rates and property values for 100% of communities that completed the necessary requirements.
	# of communities that have local aid distributed in a timely manner (a monthly basis)	351	351	Stable	351	🟢	2QFY14 vs. 1Q1FY4; Data is reported on a monthly basis as of FY14 as the result of a recently enacted legislation. .
	# of new reporting tools added to the Municipal Data Bank	27	N/A	N/A	N/A	-	Reporting for FY13
	# of new search tools in the DLS legal library	Development underway	Scoping out revisions	N/A	N/A	-	
	# of new Gateway features	7	N/A	N/A	N/A	-	Reporting for FY13

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

GOAL	ACTION OR MEASURE	CHANGE, ADDITION OR DELETION EXPLANATION
AGENCY WIDE		
Modernize IT by keeping MASSTAX 2 and COMETS HD on the path to successful completion	MassTax2 and COMETS HD% of indicators that are stable or improving -to- PMO's assessment of program KPIs	**CHANGE** – MassTax2 development was suspended in August 2013. A new vendor agreement was signed in January 2014 - performance measures and reporting will resume once implementation is launched. **COMETS HD -** Performance measurements are based on seven Key Performance Indicators (KPIs) created and tracked by the Program Management Office (PMO). Each of the KPIs is weighted and scored to produce an overall program rating: 1 – program is on track (green); 2 – Issues related to scope, costs of schedule have arisen (yellow); and, 3 – the program is significantly off track (red). The results of the KPIs are rounded to the nearest number and the appropriate color is designated. The original measurement required the modification of information included in the COMETS HD performance dashboard that altered the results and produced an inaccurate assessment of the program. The new dashboard measurement will be based on the PMO's report.
Create a culture and processes that support communication, collaboration and co-design with a broad range of stakeholders	% of taxpayers who view DOR as meeting its mission of enforcement of the tax laws as well as its vision of conducting business in ways that are innovative, customer-focused and transparent	**CHANGE** – Reporting is for the quarter ended 12/31/13 based on responses to ongoing surveys relative to the Audit and Appeals processes combining 3 questions related to customer service and four questions related to transparency. The result is a weighted average based on number of respondents. Abatement and website survey results will also be incorporated into this reporting when available.
Take a proactive approach to improve performance, effectiveness and efficiency across the agency	% of workforce whose performance is being actively managed either for improvement	**CHANGE** - This measure originally tracked the number of Remedial Development Plans (RDPs) and the number of employees engaged in DORs new Emerging Leaders Program. The Emerging Leaders Program has yet to be implemented so there is no data is available. Therefore, the Emerging Leaders Program has been dropped from the measure.
TAX OPERATIONS		
Provide clear, timely and relevant guidance to taxpayers	% of taxpayers who believe they have had adequate guidance from the department	**CHANGE** – DOR initiated a survey in late 2013 asking 27 questions about the department's legal guidance. Results reflect 416 responses to the question: Please tell us about your experience with DOR's tax guidance. Results from a planned website survey will also be incorporated into this reporting when available.

GOAL	ACTION OR MEASURE	CHANGE, ADDITION OR DELETION EXPLANATION
Resolve disputes through processes that are effective, fair, and easy to navigate	Average time between Notice of Intention to Assess and collection of assessment	**DELETION** – It was determined that a new metric should be developed to better gauge performance and provide meaningful information to managers. The calculation as previously listed included data from several divisions within DOR, making it difficult to track changes in the overall time to the source.
LOCAL SERVICES		
Provide technical assistance, training and oversight to assist Massachusetts cities and town in the achievement of sound and efficient fiscal management	% of taxpayers who have accessed dispute resolution processes who have found them to be effective, fair, and easy to navigate	**CHANGE** – Reporting is for quarter ended 12/31/13 based on 24 responses to a survey sent on all closed Office of Appeals cases. A target will be developed once a greater number of responses are collected and a sufficient baseline has been created.
	# of communities that have local aid distributed in a timely manner (a monthly basis)	**CHANGE** – FY13 had local aid distributed quarterly. Local aid distribution to be provided monthly in FY14 as the result of recently enacted legislation

GOAL	MEASURE	DESCRIPTION	SOURCE
AGENCY WIDE			
Modernize IT by keeping GenTax® and COMETS HD on the path to successful completion	PMO's assessment of program KPIs	This measure tracks PMO's assessment of GenTax and COMETS HD KPIs. **GenTax® -** MassTax2 development was suspended in 2013. The GenTax® agreement was signed with Fast Enterprises in January 2014 - performance measures and reporting will resume once implementation is launched. **COMETS HD -** Performance measurements are based on seven Key Performance Indicators (KPIs) created and tracked by the Program Management Office (PMO). Each of the KPIs is weighted and scored to produce an overall program rating: 1 – program is on track (green); 2 – Issues related to scope, costs of schedule have arisen (yellow); and, 3 – the program is significantly off track (red). The results of the KPIs are rounded to the nearest number and the appropriate color is designated. Aggregate scores of 1.00 – 1.67 are considered green; scores of 1.68 – 2.33 are considered yellow; scores of 2.34 – 3.00 are considered red. The target is to achieve a green rating.	DOR/CSE
Create a culture and processes that support communication, collaboration and co-design with a broad range of stakeholders	% of taxpayers who view DOR as meeting its mission of enforcement of the tax laws as well as its vision of conducting business in ways that are innovative, customer-focused and transparent	This measure tracks responses to ongoing surveys relative to the Audit and Appeals processes combining 3 questions related to customer service and four questions related to transparency. The result is a weighted average based on number of respondents. Abatement and website survey results will also be incorporated into this reporting when available.	DOR/ Stakeholders
Increase diversity at all levels and build an appropriately skilled workforce	% of workforce members who represent minority and other historically under-represented demographic groups	This measure tracks data provided by Office of Diversity and Equal Opportunity related to workforce diversity. Metric targets based on the 2000 US census.	DOR
	% of workforce whose performance is being actively managed either for improvement	This measure tracks the percentage of employees with a Remedial Development Plans (RDPs). The DOR is making the use of RDPs a point of emphasis and expects this number to increase in the short term; over the long term, the number of RDPs should drop while other performance metrics should show some level of improvement as employees receive the training they need; no specific target has been identified at this time other than an annual increase.	DOR

GOAL	MEASURE	DESCRIPTION	SOURCE
Provide easy access to quality customer service	% of customer inquiries that are resolved through self-service or at first point of contact	This measure tracks the percentage of customer inquiries resolved through self-service or at first point of contact. The surveys used to achieve this measurement have not commenced due to technology upgrade suspensions in 2013. The GenTax® agreement was signed in January 2014 and the new systems will include call center performance measures. Data will be reported once new systems are in place.	Survey Results
	% of taxpayers reporting a favorable customer service experience	This measure tracks the percentage of Interactive Voice Response (IVR) surveys of taxpayers to determine their satisfaction and customer experience. The survey launched in September 2013 - the results reported included 302 surveys completed September 2013 thru November 2013.	Survey Results
TAX OPERATIONS			
Improve efficiency and effectiveness of enforcement operations	$ per audit hour	This measure tracks the amount of tax revenue that tax auditors obtain through audit practices and helps to assess the effectiveness and efficiency of tax enforcement operations.	DOR/Audit
	Refund fraud prevented	This measure tracks the dollar value of fraud prevented by the Department of Revenue through the identification and rejection of fraudulent tax returns.	DOR/Audit
	$ per collector hour	This measure tracks the amount of tax revenue that tax collectors obtain per hour worked and helps to assess the effectiveness and efficiency of tax enforcement operations.	DOR/TSD
Provide clear, timely and relevant guidance to taxpayers	% of taxpayers who believe they have had adequate guidance from the department	This measure tracks the percentage of taxpayers who believe they have had adequate guidance from the department. DOR initiated a survey in late 2013 asking 27 questions about the department's legal guidance. Results reflect 416 responses to the question: Please tell us about your experience with DOR's tax guidance. Results from a planned website survey will also be incorporated into this reporting when available.	DOR/ Taxpayers/ Practitioners
	Accuracy of CSR responses	This measure tracks the accuracy and quality of response given by the Customer Service Bureau. Supervisors and Managers conduct a random sampling of responses provided by their direct reports.	DOR/ Taxpayers/ Practitioners

GOAL	MEASURE	DESCRIPTION	SOURCE
Resolve disputes through processes that are effective, fair, and easy to navigate	% of taxpayers who have accessed dispute resolution processes who have found them to be effective, fair, and easy to navigate	This measure tracks taxpayer responses to a survey sent on all closed Office of Appeals cases to assess the dispute resolution process. Results compiled from responses to the following questions: Did the Appeals Officer clearly explain the appeals process to you? How respectfully were you treated throughout the appeals process? Was your appeal concluded in a reasonable period of time? Please tell us how satisfied you were overall with the appeals process. A target will be developed once a greater number of responses are collected and a baseline has been created.	DOR/ Taxpayers/ Practitioners
CHILD SUPPORT ENFORCEMENT			
Maximize federal reimbursements and performance by achieving or maintain compliance with the "Fed 5" performance measures	Title IV-D Paternity Establishment Percentage	This measure tracks the number of children with established paternity divided by the total number of children born out of wedlock in Massachusetts. Title IV-D of the federal Social Security Act requires that the Commonwealth attempt to establish the paternity of children in needy families receiving aid from certain federal block grants administered by the Commonwealth.	CSE/OCSE
	Title IV-D Child Support Order Establishment Percentage	This measure tracks, for children in the Title IV-D caseload, the number of children with child support orders divided by the total number of children.	CSE/OCSE
	Title IV-D Current Child Support Collections Performance Level	This measure tracks, for children in the Title IV-D caseload, the total child support cases for which a payment was received toward arrears divided by the total number of cases in which child support was owed.	CSE/OCSE
	Title IV-D Arrearage Child Support Collections Performance Level	This measure tracks, for children in the Title IV-D caseload, the total child support dollars paid toward arrears divided by the total dollars owed for support in arrears	CSE/OCSE
	Cost Effectiveness Performance Level – the amount CSE collects for every dollar spent on the program	This measure tracks the total child support dollars collected in the Title IV-D caseload divided by the total Title IV-D expenditures.	CSE/OCSE

GOAL	MEASURE	DESCRIPTION	SOURCE
LOCAL SERVICES			
Provide technical assistance, training and oversight to assist Massachusetts cities and town in the achievement of sound and efficient fiscal management	# of participants in DLS instructional sessions	This measure tracks the number of participants in DLS instructional classes. DLS responsibilities and deliverables are dictated by the calendar. During the second quarter, DLS staff is primarily working to review property taxes and property values in each of the Commonwealth's 351 taxing communities - ensuring local property tax bills are issued on time. While the numbers may appear to be in decline, DLS instructional sessions are projected to meet the established target.	DOR/City and Town Officials
	# of towns using sustainable cloud-based technology solutions for smaller communities	This measure tracks the number of towns using cloud-based solutions. DLS IT has partnered with the Community Software Consortium to support smaller communities migrate their Tax Administration systems to a more cost effective cloud based solution. A maximum of 11 communities are slated to go into BETA testing during FY14 – 1 community in the 1st half and the remaining 10 in the 2nd half of FY14. Two communities may withdraw from testing due to the property certification cycle.	DLS/DOR
	# of subscribers to City and Town	This measure tracks the overall number of subscribers to City and Town - an email publication designed to address matters of interest to local officials. DLS adds subscribers thru presentations, training sessions and other activities during the course of the FY.	DLS/DOR
	# of communities that have their tax rates and property values set by calendar year end 2013	This measure tracks the number of communities that have their tax rates and property values set by calendar year. Property rates are set every three years, meaning approximately 1/3 of the Commonwealth's cities and towns are resetting their property values on an annual basis. However, DLS is required to certify all 351 cities and towns every year. As of Dec 31 - 13 towns did not finish work required to either set a tax rate or certify their property values.	DLS/DOR
	# of communities that have local aid distributed in a timely manner (a monthly basis)	This measure tracks the local aid distributed monthly. Local aid distribution is provided monthly (as opposed to quarterly) starting FY14 as the result of recently enacted legislation.	DLS/DOR

GOAL	MEASURE	DESCRIPTION	SOURCE
	# of new reporting tools added to the Municipal Data Bank	This measure tracks the number of new reporting tools added to the Municipal Data Bank which will collect, analyze and distribute financial, demographic and economic data on Massachusetts cities and towns. The New Data Bank tools include: Income and EQV Per Capita, Labor Force and Unemployment Rates, Housing Units and Square Miles Community, Implicit Price Deflator and Consumer Price Index, Registered Motor Vehicles, Road Inventory Data, Number of Registered Voters, Median Household and Family Income, Number of Resident Births, Population, and New Property Tax Trend Report.	DLS/DOR
	# of new search tools in the DLS legal library	This measure tracks the number of new search tools in the DLS legal library The DLS legal library can be found on the DOR website and contains all the latest legal changes impacting taxpayers.	DLS/DOR
	# of new Gateway features	This measure tracks the number of new Gateway features. Gateway is the portal by which city and town officials can conduct business with DLS. Work is underway on four new Gateway features.	DLS/DOR